Printed copy of report of business conditions for the month of January 1916, is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.

January 24, 1916.

Federal Reserve Board,
Washington, D:C.

Dear Sirs:-

General business conditions in the Fifth Reserve District, during the past thirty days have been very satisfactory indeed, in almost every line of activity. Retailers, in reporting that routine business is good, further advise that holiday sales were gratifying in both quantity and quality. Both city and country merchants are placing orders with manufacturers and jobbers more freely than has been the case for two or three years. This is especially true with lines related to metal industries.

In the Carolinas, farmers generally are in better position both in relation to their debts and future prospects than has been the case for a long time. Last year's crops realized good prices, permitting wholesale liquidation, while diversification made for a condition in which many farmers have been self-sustained, as respects food supplies. A generous acreage has again been planted in wheat, and while many farmers announce their purpose to plant for a large crop of corn, it is possible that with a continuance of the present high prices for cotton, the acreage of spring planted grains will be diminished.

For the reason that essential chemicals cannot be had in supply sufficient to permit the employment of usual formulae in the manufacture of fertilizers in normal quantity, manufacturers and consumers during this year will operate under most unusual conditions. In 1915, the farmers used little more than half the amount of commercial fertilizer which latterly they have been accustomed to buying. Its aid, supplemented by elements remaining in the soil from previous application, permitted the growing of excellent average crops. It, however, is realized that like results cannot be expected in another year, and the consequence of forced diminished use of chemicals, particularly potash, may be shorter crops than otherwise could be expected.

The cotton movement has been very light, for the reason that its holders are unwilling to sell even at present prices. While it is admitted that current quotations reflect good profits to the producers, it is a very generally held opinion that the coming crop will not be large and that in consequence, prices are due for a further advance.

Tobacco growers share a like opinion, they reasoning that it would be impossible for them to make their crops without certain chemicals which they will not this season be able to obtain as usual.

Lumber is now not only in strong position but mills are committed to advance orders which will keep them busy for some time in the future.

Cotton milling on the whole averaged fair results during the past year, with immediate prospects of better conditions, particularly with the mills which are not called upon to use dye stuffs. Some properties which a year ago bought cotton in quantity at eight cents a pound or under, have shown flattering results, while others either unwilling or unable to buy the staple at or somewhat below the cost of its production, have not been so fortunate with their Profit and Loss accounts.

At export points there has been a congestion of grain, awaiting shipment, due to the lack of transportation facilities. Given an adequate supply of ocean carriage, both the railroads and their terminals can easily care for the situation, which, however, in becoming congested under existing conditions, has caused embarrassment not only to the shippers of grain but to the railroads and their customers in other lines. One effect has been that ocean freights are now from one hundred to one hundred and fifty per cent higher than last year; in some directions and for some commodities, the increase has been even greater.

The corn crop has only begun to move from the West, and it is feared that congestion in the movement, after the grain has reached the seaboard, will result in conditions which will be injurious to the trade, particularly should it happen that another great crop of grains should be grown this year. Very high, if not prohibitive freight rates, tend to a diversion to Australia and Argentina of much of the business which under reasonably normal conditions would be handled by this country.

Money is in plentiful supply throughout the District, a condition evidenced in part by the fact that member banks in the District now owe less for borrowed money than is usually the case even in January. The loan line of its Reserve Bank is now $1,800,000 below its amount as reported in August last. Individual banks in the Carolinas report that they are loaning some share of their funds at a rate as low as 4½%. Present very easy conditions are apt to continue until the general spring demands are met in March next.

Respectfully,

Chairman of the Board.

Printed copy of report of business conditions for the month of February 1916 , is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.

BUSINESS CONDITIONS-- FIFTH DISTRICT

FEBRUARY 21, 1916.

During the past thirty days, business conditions inthe Fifth District indicate a continuance of activities in practically all lines.

On account of the rather open winter, farmers are reported well advanced in soil preparation. The indications are that the cotton acreage will be slightly increased, though the diversification idea will not be dropped, and most farmers will endeavor to raise the bulk of their provisions on the farm.

High prices and the scarcity of Potash goods will again seriously curtail the use of fertilizers, though the expenditure for these materials will be greater than last year.

The apple crop of West Virginia, to a considerable extent under normal conditions shipped abroad, has been forced to find domestic markets, with resultant lowering of prices, and has been productive of little if any profit to growers.

Lumber has advanced sharply, in some cases $7 to $8 per thousand feet, with a broadening domestic market. Orders for future delivery are more freely offered to than accepted by manufacturers. Dry stocks are not large, and in some quarters, confidence in the early resumption of foreign shipments tends toward the expectation of a strong market for several months to come.

The furniture manufacturers of North Carolina are reported doing a very large business, with receipts of heavy orders for future delivery, at good prices.

Cotton has been moving more freely, and the disposition to hold for higher prices is not so strong as was the case sixty days ago. A number of small mills are expanding capacities, and some few cotton oil mills are organizing. The cotton mills of the Carolinas are reported to be in better general condition than for some time past.

Coal production shows large tonnage with satisfactory sales, both in volume and price.

Grain movements show little improvement over last month, and shippers are still suffering because of terminal congestion and lack of ocean transportation.

Collections are generally good. Member banks are borrowing a trifle less from the Federal Reserve Bank and their northern correspondent banks.

Their cash reserves are generally higher, a condition which may reasonably be expected to hold until the usual spring planting demands loans to farmers and merchants.

With railroad earnings reported good, the organization and construction of several new short lines reported from North Carolina, the apparently healthful increased activities in manufactures, reasonable liquidation of debts and new credits available, the general business condition of this District is good.

Printed copy of report of business conditions for the month of March 1916, is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.

BUSINESS CONDITIONS -FIFTH DISTRICT

MARCH 22, 1916.

The unfavorable weather conditions have impeded progress on farms throughout the District. The loss of tobacco plants in South Carolina, by freezing, indicates that the 1916 crop will be considerably below normal in that state. Grains are more or less backward by reason of cold weather. Cotton acreage in the Carolinas will be slightly increased over last year.

Fertilizer costs are higher than last year and it is questionable if farmers will use up to their last year's standard, either in quantity or quality.

Many farmers intend to raise the bulk of their food supplies at home; there are more hogs and cattle on the farms this year. Truck farmers anticipate a good season on smaller operations owing to reported shortage of potato crop in the North and North West.

The lumber market is hampered by reason of congested terminals and apparently by some discrimination as regards rail transportation , in favor of higher freight tariff goods and products.

The cotton oil industry has suffered somewhat by reason of high cost of seed, but corresponding better prices for oil and meal indicate a fair margin of profit for the season's operations.

State legislation in South Carolina by enactment of the Lancy-Odom Bill, has created a condition in the matter of insurance, sufficiently serious to cause the withdrawal from the state of practically all outside fire insurance companies. Until the situation is modified, (and no tangible remedy is yet apparent), it is probable that the public willfind it difficult to obtain adequate protection. A relative difficulty in effecting loans against stored merchandise and products, may be reasonably expected and a curtailment of volume in commodity paper would appear very probable.

West Virginia reports continued heavy shipments of coal, and better volume of business at higher prices in hardware supplies and jobbing business generally better than last year.

Cotton mill operations are reported most satisfactory.

Shipbuilding in Baltimore shows rather unusual activity and completions ahead of contract time are bringing large bonuses. Ship repairs are reported urgently desired and very profitable.

Money is easy, except for long terms, and borrowers have no difficulty in obtaining sufficient for their legitimate business needs.

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...table. The following is a complete copy of the carbon copy of the report which ...ers in our General Files.

April 20, 1916.

Federal Reserve Board,
Washington, D.C.

Dear Sirs:-

Business continues to show an improved condition, jobbers reporting a fair volume of sales and good collections. Agricultural conditions on the whole are favorable, except that in some trucking sections along the coast, they are below normal, due to low prices of potatoes, but prospects are considered brighter for the coming crops. Farmers generally have done well during the past season and are generally regarded as in better condition than for some time past. Bad weather since the first of the year delayed crop preparations for a time, but on the whole, lands are in good condition for the next crops. There has been more diversification than heretofore. Food supplies have been more varied and abundant than heretofore, more attention being especially given to the care of live stock.The present cotton crop was economically raised. Prices have been good and this has contributed materially to improved conditions and the prosperity of the farmers. The tobacco crop was also economically raised, but there has been some complaint as to price.

Owing to the scarcity and high prices of fertilizer materials, quite a reduction in volume is expected in the fertilizer trade, but owing to higher prices, manufacturers are doing well and on the whole anticipate a satisfactory season.

Conditions in the cotton spinning industry, which have been seriously depressed for several years, show a marked improvement. Many of the mills which have failed to earn enough to take care of even the wear and tear on their plants, are now finding a ready market for their goods at satisfactory prices. This increased demand has developed both in Europe and South American trade, the only drawback being the scarcity of freight room.

Timber and coal business in the interior report satisfactory conditions and earnings, and one point reports the location of a new and extensive steel plant, and also one or more glass plants.

The lumber trade has shown considerable recovery from its recent depression. Jobbers' stocks are limited and the mills are now moving a fair portion of their accumulated stocks at improved prices. This has been interfered with to some extent by congestion in the railroad traffic, particularly in New England and at the ports.

This District, like other sections of the country, reports a great improvement in Tourists' travel, and the hotel business, reflecting a liberal expenditure of money along this line.

One point in the District reports fifteen thousand bales of cotton held in the county, which if sold would furnish more money than could be profitably used. Diversification of crops, heretofore referred to, has greatly improved conditions of the farmer generally, and the future looks

good for continued prosperity. Investors, even in the smaller cities, are reported to be looking for safe short time investments, but not venturing far as to the future. Banks in large cities are offering money at low rates, resulting in decreased demands on the local banks, and creating a super-abundant supply of funds, resulting in decreased earnings for the local banks.

Yours respectfully,

Federal Reserve Agent.

Printed copy of report of business conditions for the month of May, 1916 is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.

May 23, 1916.

Federal Reserve Board,
Washington, D.C.

Dear Sirs:-

There have been no very unusual changes in general conditions since our last report, except complaint of lack of rain, which has only been relieved to some extent by recent showers, which, however, have not been as general or copious as could be desired.

Reports of business conditions run from below normal in a few localities, to fair, but more generally are reported good and some are decidedly optimistic. Collections generally are reported fair, with increase of from twelve to twenty per cent in volume of trade. Larger towns report higher deposits in banks and limited demand for loans. Commodity loans, particularly in cotton, are being liquidated, but smaller banks are maintaining rediscount lines with offerings largely of farmers' notes.

Agricultural conditions are reported only fair. Crops are somewhat backward, owing to late spring and dry weather. Wheat and oats are not as good as last year, but more corn and oats are reported planted than ever before. Farmers are getting out of old habits of sending money away for hay, flour, etc., raising more home supplies, using money to buy lands and improve them.

Cotton acreage has probably been increased about ten per cent and lands have been better prepared than usual, but it is difficult to estimate the effect of lack of rain and insufficient supply of potash for fertilizer. Quite an interest seems to be developing in raising cattle and hogs; the latter particularly.

Tobacco manufacturers report an increase of business for the past four months over 1915. Increased wages have satisfied labor, but the increase, with the high cost of supplies, from which relief seems remote, with prices hardly up to normal, has not made results very satisfactory. Only about two thirds of a tobacco crop has been planted in South Carolina and some farmers are replanting tobacco fields in corn and forage crops. In North Carolina and Virginia, normal planting is anticipated.

Lumber dealers report only fair conditions, and the import and export trade is being seriously handicapped by scarcity of freight room and high rates. Builders report only fair conditions. Several large manufacturers of wagons say business is hardly up to normal.

Woolen mills say they are busy and running ten hours, but the cost of raw material, the difficulty of securing efficient labor, and a supply of dyes, limits profits until they are hardly commensurate with the apparent prosperous conditions.

A large hosiery mill employing twelve hundred hands (largely women and only natives) was never so busy as now, have twice as many orders as they can fill, and are advertising locally for more labor.

Cotton mills are reported coming into their own again, are running at capacity, some over time. Sales of finished products are yielding good profits, and many of them are sold up into the fall. Quite a number of "Trade Acceptances" have been offered of late for rediscount, given by mills for cotton purchases. The following, from a very prominent cotton manufacturer is interesting:

> "Money is obtainable at reasonable rates, more so than ever before, at this season of the year. Farmers are borrowing more largely from banks than ever before, and at more reasonable rates of interest. The Federal Reserve Banks have been a great blessing to the people generally, and especially to manufacturers and others who use large amounts on short term paper. It is doubtful if any law has ever been put upon the National Statute Books thatnas afforded so much real relief and restored confidence so thoroughly as this."

There has recently been some little improvement in the value of cotton.

A large paper manufacturer reports scarcity of raw material and uncertainty of labor conditions. A manufacturer of tools reports similar conditions and that he is finding it necessary to train unskilled labor. Limestone quaries are very busy, no one is idle who wants work, product going to Pittsburgh for fluxing purposes.

Railway earnings show improvement, but the demands of labor seem to have more than discounted this and wage increases in almost every direction have to be reckoned with. We are apparently reaching our present limit in transportation and unless the railroads are permitted to earn sufficient revenue to increase facilities and meet the demands of labor we may face conditions most inimical to the continued development of our resources and opportunities.

Yours respectfully,

Federal Reserve Agent.

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A copy of report of business conditions for the month of June, 1916 is not available. The following is a complete copy of the carbon copy of the report which is in our General Files.

June 21, 1916.

Federal Reserve Board,
Washington, D.C.

Dears Sirs:-

In accordance with our monthly custom, I beg to make the following report on conditions existing in the Fifth Federal Reserve District.

GENERAL BUSINESS:

In a condition of activity. There has been a steady improvement, and conditions as a rule are up to or above normal, with prospects good.

AGRICULTURAL:

Cold weather during the Spring months, a dry May, with heavy precipitations in June, leaves the rain fall slightly below normal, but extreme variations have been a handicap to work and results. The rain fall recently has been excessive and reports indicate spotted conditions. Trucking conditions along the seaboard in this District are better than for several years past. There has been a light to fair yield of potatoes, estimated at about sixty per cent., but they are selling for four to five dollars a barrel, and the prices of berries, melons, peaches, beans and cabbage have been satisfactory. Shipments of cabbage are reported heavy. One section reports an active campaign for the planting of forage crops, soy beans, cow peas, velvet beans, etc. In this connection, the North Carolina Extension Service is taking up through Demonstration Agents, the erection of silos, planning and aiding in the erection of these, whereever farmers can be induced to undertake them.

In the valley of Virginia, general crop conditions are reported very satisfactory and an abundant harvest is predicted.

Canners are making ample preparation for the present season, with a view to securing as full an output as possible, but crop supplies are rather below than above normal. Nineteen fifteen stock is all disposed of and orders for new goods are being booked at 10% to 25% above last year, with a tendency towards advancing prices.

Prices of agricultural implements and seeds are higher than usual, but this does not seem to affect the demand, which is good. Good farm lands in the Carolinas are still selling at $25 to $50 an acre, but there seems to be a gradual tendency towards enhancement, and the demand for them is on the increase.

AUTOMOBILES:

Trade in this line is making a record, deliveries are reported slow, owing to the large demand, and there is some criticism about too large a volume of credit sales.

BUILDING:

Building as a rule is reported about normal, with rather an improving tendency, and in the Carolinas there is considerable activity reported.

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COAL:

Coal movements by the railroads has been record-breaking and the ports report great activity.

COTTON:

A dry May prevented good stands, necessitated some re-planting, and heavy rains in June have handicapped farmers in the cultivation of the crop and controlling of weeds. There has been an increased late demand for fertilizers.

COTTON MILLS:

Cotton mills are reported running on full time, many of them running at night. They are well supplied with orders, some booked three or four months ahead, while others are sold up to the end of the year, which is about as far ahead as they can see their way clear to go, owing to the difficulty of securing dye stuffs, particularly on certain colors, which are very hard to obtain. A leading selling agency which distributes goods throughout the United States as well as foreign countries reports that the export demand is more active than about the first of the year. Collections are very satisfactory, alike from agricultural, mining and manufacturing districts. There are very few requests for delayed shipments, whereas numerous letters ask for the forwarding of goods ahead of shipment dates fixed at the time of placing orders.

CORN:

Very few farmers who prepared a deep seed bed have suffered during the variable and unfavorable season, their fields are clean, and the crops show a vigorous growth. Other growers who seem to have disregarded the importance of preparation before planting are encountering weeds and grass, and are unable to remove them on account of the heavy rains.

Oats are reported poor, particularly early plantings, but later maturing plantings have been developed by the first rains in June, and many afford a somewhat better yield.

Conditions as to hay and alfalfa are very spotted, and on the whole do not promise well.

FURNITURE:

Trade active at advancing prices, but large dealers have pretty well supplied needs and are indicating caution as to further purchases at present high prices. Conditions and collections, however, are good, and further investments are indicated in new enterprises or enlargements of present plants.

INDUSTRIAL:

The Carolinas report considerable activity in industrial improvements, the construction of electric light and water improvements, drainage, paving in a number of towns, (one town reporting the contemplated expenditure of $500,000), cold storage and gas plants, and several fertilizer and ice plants.

One new small roller mill is reported, to use home grown and Western wheat.

One point reports a colonization land scheme, for the purpose of locating families from out of the district, and another point reports the incorporation of a seed farm.

There is considerable interest being taken in creamery products. One plant started with a supply of milk from about two hundred cows and is said now to be taking the supply of about two thousand cows. They contemplate adding an ice plant this summer and also the handling of poultry and eggs.

HARDWARE AND MACHINERY:

Business in this line is reported thirty per cent better than last year, but the high cost of materials has interfered with deliveries.

LABOR:

Labor is fully employed at good wages, and the demand is in excess of the supply. No labor troubles are reported from the District.

TANNERIES AND SHOES:

Tanneries and extract plants are operating at full capacity, more peeled bark being handled at this time than ever before in the history of the industry. Shoe trade is active but prices are high and buying is reported as cautions.

LIVE STOCK AND PACKING:

Natural and seeded pastures throughout the states are in excellent condition. Live stock, cattle, hogs, sheep and colts are growing and developing in proportion to the grass afforded them. Prices are high and an increase in hogs is particularly reported from almost every section.

Dealers in horses and mules report good business, money more plentiful than last year, and prospects good.

LUMBER:

Some complaint about difficulty in shipping facilities; business not quite so active as during the first four months of this year, and somewhat easier prices indicated.

MONEY:

Money is reported in better supply throughout the District than usual, but with some indications of an improved demand. The banks report deposits above the normal.

TOBACCO:

Conditions spotted, some sections reporting the crop as short, while others indicate much better conditions.

On the whole, there seems to be a general feeling of conservative optimism, and a reasonable expectation of continued good business, and prosperous conditions.

Yours respectfully,

A copy of report of business conditions for the month of July, 1916 is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.

July 21, 1916.

Federal Reserve Board,
Washington, D.C.

Dear Sirs:-

In accordance with our monthly custom, I beg to make the following report on conditions existing in the Fifth Federal Reserve District:

GENERAL BUSINESS:

A storm of unprecedented proportion, accompanied by a rainfall approaching a deluge visited on last Saturday the Piedmont sections of Virginia, North Carolina and South Carolina, the last two particularly, resulting in a loss of seventy odd lives, report to date, and property damage estimated to be in the millions. Figures as high as fifteen millions have been given but we think, as is often the case in such instances, the damages have been seriously over estimated. Some small towns have been swept away, larger ones seriously damaged and dams, mills, warehouses, dwellings, crops and property of every description carried away or devastated. The main line of the Seaboard Air Line and Southern Railways have both been cut by bridges carried away and all of the western lines of the latter disabled in the same way. It will be some days before service is resumed on these lines and longer before many of the more seriously damaged branch lines are restored. The western lines of the Norfolk and Western and of the Atlantic Coast Line, which are in the lower sections and nearer the coast have also suffered considerable damage. This condition has resulted in irregular and infrequent mail service and replies to our trade inquiries, due in the last few days, from the stricken territory have not been received. This has been the case with such a large section that our reports from that territory are limited and incomplete.

Summer dullness has taken the edge off of business, particularly so far as new businesses are concerned but the volume of manufacturing and merchandise shows but little diminution. Reports generally are favorable and railroads are busy and earnings in this District indicate a net increase of 15% or more. Earnings for this month, however, will probably be seriously affected by the damage referred to above. Clearings show an increase of about 60% over last year and collections are better than usual at this time of the year.

AGRICULTURAL:

Excessive moisture has created spotted and uncertain conditions and it is difficult to report with much assurance of accuracy. Unless weather conditions improve, would anticipate considerable deterioration. Results from fertilizers are considered uncertain owing to lack of usual proportion of potash. Crops have been better cultivated than usual and early plantings are standing better than later ones. The returns in trucking sections along the coast for beans, melons, potatoes, etc. have been unusually good and farmers in this territory are more prosperous than for several years. One small community reports that the net return from its shipments of truck will probably aggregate $500,000. Canned goods business is reported healthy and the outlook exceptionally good. One party calls attention to the fact that he has raised four crops on the same land. First, Irish potatoes with corn planted between the rows; after potatoes have been dug, a second planting of corn has been put in, and after the first corn planting has been gathered, this is replaced by sweet potatoes.

BUILDING:

Richmond reports a 20% increase and there is some activity reported from North Carolina but general reports indicate that building is being retarded by high price of materials.

COAL:

The bituminous movement continues heavy and 50% in excess of this period for last year but some decrease is looked for. While freight rates have a tendency to soften which will stimulate demand, the shortage of labor is more acute making it difficult if not impossible to keep shipments up to the present volume. This is calculated to stiffen prices and create a rather trying and difficult situation. Coastwise shipments are normal and generally on contract. Foreign shipments are largely to Italy and South America.

CORN:

Acreage large and crop in fair condition but has suffered on low grounds from too much moisture.

COTTON:

The Government reports indicate a 12% increase in the entire cotton belt, North Carolina and South Carolina both being above this average. Crop on high ground probably about the average but too much moisture generally and many sections report the crop backward and in bad condition. It is difficult to estimate these conditions but unless drier conditions prevail, considerable deterioration may be expected.

COTTON MILLS:

These continue to report prosperous conditions. Several mills washed away by reason of storm and a number forced to shut down temporarily by interruption of power.

FURNITURE:

Plants working full time; sales chiefly in the East, North and Northwest. Collections good but prices of raw material high and manufacturers are disposed to be conservative about following the high prices too far.

IRON AND STEEL:

Every concern in this line reports prosperous conditions; bookings for future delivery insure activity for several months ahead. Baltimore is anticipating exceptional advantages from large expenditures running in the millions by the Bethlehem Steel Company in the development of the plant of the Maryland Steel Company which it has purchased or controls.

HARDWARE & MACHINERY:

Still complaining about the high cost of raw materials.

LABOR:

Well employed. Farm labor is scarce and high.

LIVE STOCK AND PACKING:

There is a marked interest in stock raising and good forage crops are reported. One point reports a hog packing plant, the purchases of which have supplied enough money to the neighborhood to pay farmers' labor bills for chopping out cotton, etc.

LUMBER:

Trade is still complaining of little demand and demoralized prices. Mills report good prices lasted only for about sixty days in the spring. Present prices hardly cover prices of production and somemills have shut down. General complaint about rates and lack of freight facilities.

MONEY:

Deposits highest at this season of the year for several years past. Rates are firmer but many banks have not been borrowing this year and have abundant funds for the use of their respective communities.

TOBACCO:

Full acreage, crop looks pretty well but complaint of too much rain.

TRADE GENERALLY:

Manufacturing active; jobbing in good volume, although somewhat quieter than the recent past. Prices high and profits better than usual owing to the advance in price of goods previously purchased.

SHOES, LEATHER & TRUNKS:

Trade good as well as large and results satisfactory but prices of raw materials dangerously high and manufacturers disposed to go slow in making purchases, not going beyond immediate needs for orders in hand.

On the whole, business in this District is good with a reasonable expectation of its continuance, the only adverse facts being the exceedingly wet weather and the disastrous storm referred to above.

Yours respectfully,

Federal Reserve Agent.

August Letter to Federal Reserve Board is the same as Report of Business Conditions of the Fifth Federal Reserve District for the Federal Reserve Bulletin, September 1916.

(Printed copy of report of business conditions for the month of September, 1916 is not available. The following is a complete copy of the report which appears in our General Files.)

REPORT OF BUSINESS CONDITIONS

OF THE

FIFTH FEDERAL RESERVE DISTRICT

FOR THE

FEDERAL RESERVE BULLETIN, SEPTEMBER, 1916.

GENERAL CONDITIONS

The storm damage referred to in the last report throughout the Piedmont sections, particularly of North and South Carolina, was serious, and the railroads in particular have been slow in recovering, both as to damage to their lines, and as to restoring their service to the public. A similar catastrophe resulting from a cloud burst in West Virginia has wrought great havoc in Cabin Creek, the damage to the Chesapeake & Ohio Railroad and private properties being estimated at several millions of dollars. Continued excessive rainfall is reported throughout the district very generally resulting in continued crop damage in considerable portions of the territory.

General business is much above the average, reports on conditions are cheerful, and the outlook for the future regarded at least with complacency.

AGRICULTURAL

The reports from the trucking sections where the large volume of shipments has culminated have been very satisfactory. Shipments of cantaloupes and other fruits have yielded satisfactory returns. Potato shipments from the Norfolk sections are estimated to have reached 1,250,000 barrels, and while prices declined to a minimum of $1.50 per barrel, they averaged probably $2.50 per barrel, and much of the crop sold considerably above this. Southern sweet potatoes are going into the market at $3.50 to $4.50 per barrel.

Special attention has been drawn to one feature connected with the potato crop. This is a demonstration that this district can grow potatoes and also other vegetables without potash, other than such as can be obtained from cotton seed and other fertilizers produced in this country. This indicates emancipation from the potash octopus, for which we have been depending chiefly on Germany and Chili. Farmers have been spending millions for potash and it is now gratifying to learn that fruits and vegetables can be successfully raised regardless of whether or not we have potash.

One of our railroad lines in this district has sent out a special car carrying an agricultural exhibit of the products of this district, to visit a number of State Fairs in the North and Northwest. This is a part of a campaign of education to bring before other sections the advantages and agricultural possibilities of this district.

BUILDING

Building is still reported dull in some sections, but there are apparently indications of improvement. Reports from the lumber trade generally are not satisfactory but box manufacturers are finding difficulty in keeping up with their orders. Operators in creosoted material report that business has been particularly good and they are busy. North Carolina reports considerable activity in municipal and county improvements such as roads, bridges, public buildings, and additions to manufacturing plants, as well as the construction of some new ones. This possibly grows out of the recent flood damage and probable restoration.

COAL

Some indifference is shown towards taking on new business owing to the fact that operators are full of orders or contracts. There is some shortage in labor and also a shortage in car supplies. Dumpings are lighter for July than June; most of the decrease in the shipments over the Chesapeake & Ohio and Virginian, and particularly the Norfolk & Western, being due to floods and washouts.

Prices have advanced about 50¢ per ton and are likely to add another 50¢ increase. There is a demand for South American port shipments, particularly the Argentine Republic. This demand is stimulated by the release by the British Admiralty of tonnage for the import of grain and food stuffs to the United Kingdom. These steamers are available for coal cargoes for the outward trip in preference to ballast, and this has materially reduced freights to these points. These conditions reported from the ports are confirmed by advices from the interior, where the demand is said to be greater than that for last year, shipments limited by railroad damage and car shortage, with prices showing a hardening tendency.

CORN

Conditions are spotted, and on the whole considerably below the average, but the crop does not appear to have suffered as seriously as cotton has from the excessive rains.

In the southern portion of this district conditions have been characterized by severe floods with complete destruction of crops in the low lands and on some of the water sheds, but the corn crop as a whole, except on some of these very low lands, has not been so seriously affected, and in some sections, where it has been possible to cultivate it, is said to be the best they have had in several years.

In some sections corn and peas have been sown for ensilage for next winter.

COTTON

Cotton is reported to have suffered generally from excessive moisture and reports from most sections estimate the yield at not more than 50 or 60 per cent. of a fair crop. This has resulted in a very considerable advance in prices which it is anticipated will make up to a very considerable extent for the shortage in volume. There is a possibility of some improvement depending on future weather.

COTTON MILLS

Reports from manufacturers indicate conditions as abnormally good. Orders are abundant, the demand for domestic yarns extending through the whole range of variety is excellent, both for prompt shipment and extending well into next year.

The demand for automobile tire fabrics is particularly strong.

There is some complaint of the scarcity of labor and particularly of dye stuffs, plants generally, however, are not only reported in full operation, but many are operating at night, employing double shifts.

The industry is enjoying probably the greatest era of prosperity it has ever experienced.

EXPORTS

Exports for July show an increase of over 100%, this increase being chiefly at Baltimore, in shipments of cotton, tobacco, grain, especially in copper and other metals.

GOOD ROADS AND FARM LAND BANKS

The recent appropriation by Congress of $75,000,000 for good roads to be expended during the next five years has stimulated the great movement already under way long this line. Of the $5,000,000 available for the year ending July, 1917, this district will be entitled to $333,000 on condition that a similar amount is contributed by the states and counties.

A movement is under way to secure in this territory the location of one of the Farm Loan Banks under the recently enacted Rural Credits Bill, and considerable benefit is anticipated in this direction.

JOBBING

Jobbing in general lines is reported as good and conditions on the whole in the district are satisfactory. Merchants are reported to have been conservative, looking closely after collections, and results have been satisfactory. There has been some destruction owing to flood conditions but losses are thought to have been considerably exaggerated.

This district is thought to have only a moderate volume of war orders and therefore not likely to feel the reaction as much as some other sections should this occur later on.

LABOR

Labor is well employed, there being no question of work, but rather difficulty in securing a sufficiency of labor. Many plants are running overtime to keep up with orders. In the coal regions there is a strong demand for miners at almost all of the mines. There have been some voluntary increases in wages. Operatives seem to be satisfied and no troubles of any sort are reported, the whole situation being regarded as better than it has been for several years. A South Carolina statute, which on January 1, 1917 raises the age limit of child labor, is expected to effect a further elimination of child labor in that State.

MACHINERY AND METALS

Some slackening of demand is reported from the New England market but most of the operators seem to have all the business they can handle. The demand for mining and quarrying machinery is reported good, several fairly good contracts have been let by the railroad companies for extension of lines, and railroad contractors are in the market for equipment. Business in this particular line is said to be better than it has been for several years past.

MONEY AND BANKING

There has been some demand for rediscounts from the smaller banks, but the banks in the larger cities and towns, while reporting business as improving and good, have been able to supply the needs of their customers. There seems to be no apprehension about being able to extend to planters during the harvest season all of the assistance which they may need. Large engagements for the tobacco trade have been made for the next thirty or sixty days.

Deposits are reported as reaching the high water mark and loans approaching that limit, making very satisfactory business.

RAILWAY EARNINGS, CLEARINGS AND POSTAL RECEIPTS

Railway earnings so far reported seem to be holding their own, although they have been affected by the recent flood damage.

Reports from the twelve clearing houses in the district show an increase of 28% over the corresponding figures for 1915.

Postal receipts from the centers in the district indicate an increase of nearly 9% over the corresponding month for last year.

TOBACCO

The crop is reported to be short in some sections and generally below the average, but high prices for the new crop are indicated which gives

XUM

general satisfaction and fully makes up for the shortage in volume. Jobbers in this line report business as very satisfactory.

WAGONS AND BUGGIES

Business in this line has been reported as poor during the past two years, but indications point to inprovement. Profits have been meagre owing to the high cost of materials without a corresponding advance in the completed product, but the outlook for fall business is reported as good, and the high prices for tobacco and cotton are looked to as governing factors in the situation.

6

XUM

(Printed copy of report of business conditions for the month of October, 1916 is not available. The following is a complete copy of the carbon copy of the report which appears in our General Files.)

REPORT OF BUSINESS CONDITIONS

OF THE

FIFTH FEDERAL RESERVE DISTRICT

FOR THE

FEDERAL RESERVE BULLETIN, OCTOBER, 1916.

While the final results from crops in this District depend to some extent on weather conditions for an assured future, reports indicate general optimism.

CORN Virginia reports a shorter yield than that of last year. The early plantings produced very good crops. In North Carolina, weather conditions caused marked deterioration of late corn, while the early crop was much better than the average. The shortage for the State, however, is heavy. Conservative authorities expect not more than two-thirds of the normal crop. In South Carolina, a remarkably short crop is expected on account of storms and floods in July. Higher prices will probably equalize the damage.

COTTON Widely varying conditions are reported from South Carolina. On account of an unusual heavy rainfall, pebbly cotton lands are naturally favored; nor will the high prices now prevalent offset the loss in many counties. The crop can be best characterized as "spotted". Cotton seed has sold as high as $50.00 a ton, and the demand is good. Central North Carolina reports that the yield in that section will prove better than recent reports would indicate.

FRUIT Virginia reports about one-half of normal crop with good prices, probably high enough to offset shortage in quantity. Farmers and buyers alike evince a hesitancy in trading at the moment in orchard lots. West Virginia and North Carolina report good crops of apples. The peach crop is short.

HAY AND GRAIN The consensus of opinion indicates almost a bumper hay crop with prices slightly lower. West Virginia reports a shortage in oats, while the rest of the District in which such grain is grown, will probably have a normal crop.

POTATOES West Virginia reports a reduced production of nearly a million bushels, with prices nearly double those of last year. Western North Carolina reports good crops at satisfactory prices.

TOBACCO Splendid results may be expected in the tobacco sections of this District. In Virginia, with smaller crops, leaf tobacco is practically 50% higher in value. West Virginia reports an increased production of about 2,500,000 lbs., with grades unusually high and with splendid curing weather. Central North Carolina should realize much above normal, not only in prices

but in average pounds per acre. The grading in South Carolina may not be as high as usual, but the prices will be considerably higher than for several years.

LIVESTOCK An increase in nearly all the sections of this District is reported. Not only have the farmers acquired more cattle and hogs, evidently in a desire to profit by the plan of diversification, but the importation of beef stock has been reported, and an increased demand for improved stock. To some extent, this has led to slight activity in lands suitable for grazing. Cattle bring higher prices than ever known, with large sales already closed.

In this connection, the packing industry indicates that considerable attention has been drawn to its possibilities in this section. Establishments, or incorporations, of packing houses, are reported for Wilmington, N. C. and Greenville and Orangeburg, S. C., with the combined capitalization of approximately $400,000.

COAL West Virginia reports a good improvement in prices, and the tendency of buyers, both foreign and domestic, is to bid for longer contracts; in fact, three year contracts have been closed at advanced prices. There appear to be many inquiries from Mediterranean and South American ports. Some difficulty has been experienced in obtaining sufficient labor and the demand for miners is on the increase.

STEEL & IRON Continued activity is reported by manufacturers, and while the costs of raw materials are, if anything, higher than ever, prices obtained for finished products leave a very satisfactory margin of profits. Heavy increases in exports of manufactured metals are reported from our Atlantic ports.

TEXTILES Mills are almost uniformly busy, a great many running to capacity. Orders at good prices are easy to locate, and while costs are high, sales should leave a very comfortable margin. Several new mills are reported either under construction, or in the process of organization, in North Carolina. Colored cottons are in good demand, and notwithstanding the unsatisfactory situation in regard to dye stuffs, realizations in sales are very satisfactory. There are gradually being established in the South an increasing number of silk mills, and the outlook for the industry is most encouraging.

GENERAL MANUFACTURING With the exception of the Western part of North Carolina and the Eastern part of South Carolina, where the floods and storms of the earlier season caused considerable damage, there appears to be a healthful increase in general manufactures. While the flood conditions imposed heavy losses and damaged plants, the majority of such have been reestablished with at least a normal volume of orders. In our principal furniture manufacturing city, unusual activity is reported. The glass industry in West Virginia is reported at high tide, with sales deliverable into 1918.

LABOR Without a doubt, the calls for labor from the Northern States have attracted there considerable labor, with the natural result that employers are encountering more or less difficulty in keeping up their maximum output. A few unimportant strikes in textile plants are reported, and some agitation against employment agents, in their endeavors to encourage the withdrawal of labor to other sections.

RAILROADS As is usual at this season of the year, the generally inconvenient shortage of freight cars is being experienced. Passenger, especially excursion, business shows a rather large increase, and this may very properly be construed to indicate a general individual prosperity.

EXPORTS Baltimore shows a net increase over August of 1915 of practically $15,000,000, principally in copper, iron and steel and other metals, tobacco, oats, corn and rye. Shipments of wheat, however, fell off approximately $2,000,000. Wilmington reports a very heavy increase in shipments of cotton. From Norfolk the total increase is in the vicinity of $2,000,000, the principal of which may be mentioned - oats, cotton and linters, manufactured iron and steel and empty cartridge shells. Shipments in wheat, tobacco and lumber show decreases, and the export of horses from $3,000,000 in 1915 has dropped to $250,000 this year.

GENERAL Collections are reported as generally improved, and increased postal receipts and bank clearings indicate a steady, healthful condition of the District. Bank balances are large and the demand for money light. A general feeling of optimism is very evident and there appears no serious disposition to consider the immediatefuture in any but a hopeful light. A modification of this opinion with due consideration of the probability of necessary retrenchment in the future would, however, not come amiss.

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REPORT OF BUSINESS CONDITIONS

IN THE

FIFTH FEDERAL RESERVE DISTRICT

FOR THE

FEDERAL RESERVE BULLETIN, NOVEMBER, 1916.

GENERAL CONDITIONS

Harvest time with its golden reaping has created the greatest activity and prosperity ever experienced in this section within the writer's recollection, and it may be safely assumed, the greatest since the Civil War. It is difficult to summarize the widespread reports of these conditions without being subjected to a suspicion of exaggerated optimism inconsistent with reasonable conservatism. With the exception of an occasional report in some special case, the reasons for which are difficult to analyze, and special conditions in one or two localities where flood and weather conditions have brought exceptional and almost disastrous crop results, the same story of prosperity comes in no uncertain terms. It is reassuring, however, as to the conservatism of the reports to have an occasional note of warning sounded against assuming and indefinite continuance of such a high tide of prosperity.

AGRICULTURAL

Reports indicate only a fair general average of crops, but such high prices that the net is far above the usual returns. In fact, the high prices bring many comments as to the high cost of living and expressions of serious doubt as to how labor is to support itself, notwithstanding the high wages being received.

The markets are fairly well supplied with food crops of the small varieties such as beans, sweet potatoes, turnips and other vegetables, and all are bringing good prices. The fall crop of Irish potatoes is only a fair one but is selling at $3.50 to $4.00 per barrel. The general summary is that farmers in this section are in a better position financially than ever before, as the result of good crops and high prices. Farmers are reported buying automobiles "as never before". There seems to be a steady increase of homeseekers in this territory, the clearing of a large acreage of virgin soil and preparation for a large increase in the acreage under cultivation.

XUM

BUILDING

This line shows more activity than last year and there is a considerable volume of new work under way.

COAL

Port shipments show a decrease from 1,650,000 tons in August to 1,400,000 tons in September. This has been due to labor conditions at mines and car shortage. This has resulted in higher prices, ranging from $4.50 to $5.00 per ton. There are indications of some improvement in labor conditions, particularly in the Georges Creek and Fairmont region in West Virginia reached by the Baltimore & Ohio and Western Maryland Roads. West Virginia reports conditions in the neighborhood of the mines as exceedingly good, a vast quantity of coal being produced at high prices and mining conditions prosperous, notwithstanding some scarcity of labor.

CORN

Upper Maryland reports a good crop and full prices. West Virginia reports good corn crop, and also refers to their "splendid potato crop" and "wheat above the ordinary". Eastern North Carolina reports crop above the average. Conditions in other territory spotted, some sections reporting serious damage resulting from flood and weather conditions.

COTTON

Crop generally reported short, the best sections estimating only a 50% to 60% yield. The staple, however, is bringing 16¢ to 18¢ per pound, the highest price since the Civil War, which more than makes a handsome return for the crop, notwithstanding the shortage in quantity. Each bale of cotton, including seed, which is also bringing high prices, is worth over $100.00 per bale. The total value of the crop is estimated at over One Billion Dollars. Some few counties in South Carolina are reliably reported as only gathering a 25% to 30% crop, and these sections will hardly be able to pay this year's bills, with nothing left over with which to start next year's crops.

COTTON MILLS

There is a universal report of very satisfactory business, with mills running on full or extra time and the output readily disposed of at satisfactory prices. The high price of cotton affects the producing cost but prices of goods have apparently advanced sufficiently for operations to continue on a satisfactory basis.

EXPORTS

Exports from the District show an increase of 130% over last year. This increase is represented by mules, iron and steel manufactures, cotton, grain, some food products and other miscellaneous articles.

FRUITS

Reports indicate generally only fair crops but prices, as in other lines are high, and the net result promises to be very satisfactory. The total apple crop of the United States is reported about 15% short of last year's yield, and the growers in this District report buyers in their market from Northern, Central and Eastern states where the crop is short.

JOBBING

The demand for merchandise continues active, collections good, and trade is limited only by the difficulty of obtaining satisfactory delivery of goods. It is reported difficult to replace goods on the former basis of cost. Merchants generally, however, express satisfaction with present conditions.

LABOR

Labor seems to be generally well employed at good wages and satisfied. Shortage reported in some lines, particularly at the coal mines.

LIVESTOCK

Continued great interest in this line, indicating a steady increase in the product. One railway company reports the establishment of eleven cattle and hog ranches on its lines. Packing business reported good.

LUMBER

A few reports indicate fair conditions in this line with some improvement, but the trade does not seem to share in the general prosperity and "does not have the snap" in it other lines have.

MACHINERY AND METALS

Demand for castings heavy and foundries taxed to capacity, but piping reported quiet, prices very high and buyers disposed to hold off for lower prices. One manufacturer of small hardware reports business still below normal and prices unsatisfactory.

MONEY AND BANKING

Banks generally reporting an increase in deposits, most of them ranging from 25% to 50% increase. Demand for money active but there is plenty of it and rates low. Mills are purchasing cotton freely and require considerable accommodation for the accumulation of stock, and there is apparently a considerable demand from farmers for the purpose of holding cotton, notwithstanding the extraordinary high prices.

PEANUTS

This crop, which is a very considerable commercial factor in this section, indicates an average yield slightly below normal but the quality is good and the demand good at fair prices.

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RAILROAD EARNINGS, CLEARINGS AND POSTAL RECEIPTS

Railroad earnings are showing a decided improvement, the greatest improvement being on the Norfolk & Western Railroad from its coal traffic. One of the large lines in the South serving a largely agricultural section, reports a pressing demand for 1,500 cars, which it is having difficulty in furnishing. Out of 30,000 thousand of its own cars, 16,000 are off on other lines, and has in return only 8,000 foreign cars on its own line, reducing its own supply to 22,000.

Postal receipts indicate an increase of 8% over last year and money orders, 22%.

Clearings indicate great activity and a large increase in business over the corresponding period for last year. The percentage of increase in clearings is 33%.

TOBACCO

Crop reported short and in some sections, light in weight, but prices show an increase of 100% or more over last year, the cheaper grades being in especially good demand and bringing exceptional prices. West Virginia reports an increase of 20% in its product.

GENERAL

There is general activity in every line of business, people cheerful and optimistic over future outlook. The ship building plant at Newport News, which is one of the greatest in the country, is reported full of orders and working to capacity.

An officer of one of our largest metropolitan banks who has just completed a trip through the South is reported to have said - "South, in my opinion, is getting on a sounder credit footing than ever before, and my feeling is that these sections are about to enter the best and most prosperous epoch in their history. I look for a great advancement in population, wealth and the average conditions of life within the next decade. One of the important factors in this will be a greater abundance of money and cheaper average interest rates. This territory produces real wealth - the consumable comodities which the world must have - and, with better methods in the future, is bound to become very rich and populous. Conditions, in my opinion, are now distinctly on the upgrade, and the outlook never more consistent for a return to real, genuine prosperity on a rock bottom basis".

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REPORT OF BUSINESS CONDITIONS

IN THE

FIFTH FEDERAL RESERVE DISTRICT

FOR THE

FEDERAL RESERVE BULLETIN, DECEMBER, 1916.

GENERAL CONDITIONS

There is a continuance of reports of activity and prosperity from all portions of this District, there being only occasional cases of disappointment growing out of special causes, these being mostly due to the violent storm damage and floods earlier in the year.

Farmers are realizing the highest prices in years for their crops, which more than make up for whatever shortage there may have been in quantity. Cotton is selling at 20¢ per lb., tobacco at an average of 20 to 25¢ per lb., and other products almost relatively as high. Mercantile activity is general, but limited to some extent by supplies of goods. Prices are high both for jobbers, limiting profits, and for consumers who complain of the high cost of living. More home supplies are, however, being raised than ever before, the scale of living is better and is generally thought to be going beyond the means of many, and inviting trouble in the future. Manufacturing in all lines is yielding satisfactory returns, in many cases abnormal returns, the volume being only limited by scarcity of material and labor.

AGRICULTURAL

Results from recently harvested crops, heretofore referred to, may be summarized as having been on the whole most gratifying.

Looking to the future, are we preparing to properly sow in order that we may continue to adequately reap results? High prices will naturally stimulate production and there are already reports of new land being brought into cultivation, assuring the largest possible increase in acreage for all crops. Industrial and agricultural departments of the railroads indicate a material increase in travel, particularly among home seekers, resulting in an increased interest in farm property, with a decided increase in the number of land sales. Every indication, therefore, points to earnest and vigorous preparation for the coming planting season, this being confirmed as well by private reports.

BUILDING

Operations in this line continue in good volume for this season

of the year and trade in materials seems only to be limited by supplies, which are scarce, and delayed deliveries.

COAL

Decreased deliveries are reported, with further advance in prices, due to scarcity of labor and cars. Some method of more efficient utilization of present rolling stock is essential as a relief to this situation, or we must have some adjustment of railroad traffic and rates which will enable the roads to supply sufficient cars to move the offered tonnage.

COTTON MILLS

Conditions continue favorable to the manufacturers. High prices of cotton, labor and supplies have increased the cost of production materially, but mills are still able to make reasonable profits, and some reports state that goods are bringing better prices in proportion to 20¢ cotton than they were when cotton was 5 and 10¢ per lb.

EXPORTS

Exports show an increase in value for the past month of 50% over last year, although the volume of cotton is considerably smaller. Wheat and flour are being purchased freely for export at continually advancing prices, the demand being seemingly unlimited.

FOOD STUFFS

There is a general complaint of the high cost of living, which has stimulated production in all lines, but supplies are far from meeting demands and must be enormously increased to restore a fair equilibrium in prices. The raising of peaches in the sand hill area of North Carolina is reported to be largely on the increase, more attention being paid to the apple crop of the State, and reports from the entire District indicate more efficiency in the raising of fruits. Eggs, potatoes, cabbage and other garden products are in demand and it is hoped that the attention now being given by farmers to such products, for home and local consumption, will bring some relief to the situation. South Carolina reports a decreased acreage in rice, unsatisfactory yield but good quality and higher prices. The export trade of rice to Cuba, Porto Rico and the Central and South American States has increased enormously, and this will tend to move the surplus of the United States rice crop, we hope, before the opening up of the new crop season of 1917. The consumption of rice in the United States is only 5.31 lbs. per capita, in Porto Rico it is 146.98. This is the cheapest food commodity on the market today, and it is astonishing that such a nutritious and valuable article of diet should be neglected by our people. The Gulf States are today the largest producers of rice in this country. California has developed its rice growing industry enormously within the last four years, and their estimated yield for 1916 is 2,000,000 bags.

LIVE STOCK

Farmers from this District have been making trips into Tennessee and Kentucky, resulting in the importation into this District of improved

live stock and thorough-bred animals. A number of fairs have been held during the past two months and at these, sales of thorough-bred live stock have been greater in volume than ever before, the stock bringing higher prices than at any time in the past. Much attention is being given to stock breeding and progress in this direction during the next twelve months promises to be very noticeable. In the tick infested areas farmers are realizing the ease with which these pests can be eradicated. Campaigns have been inaugurated for this purpose, and the number of dipping vats built is encouraging. It is predicted that this territory in the next few years will be entirely tick free.

MONEY AND BANKING

A great majority of banks report prosperous conditions, increase of deposits and easy money. In some few instances, as is sometimes the case, it is still necessary, however, to urge liquidation of long standing lines of rediscounts. The increased deposits indicate an unusual surplus of money among the farmers, and many are reported paying up even back debts.

The demand for rediscounts in the District is lighter than last year, although there have been some bank acceptances and commodity bills made, representing the financing of cotton purchased for mill consumption.

PEANUTS

Previous reports of normal yield of good quality are confirmed, and prices, like others, are higher than last year.

RAILROAD EARNINGS, CLEARINGS AND POSTAL RECEIPTS

Railroad earnings continue to show improvement, being limited, however, by scarcity of rolling stock.

Bank clearings show an increase of 16% over last year, postal receipts an increase of 19%, and gross money orderbusiness 22%. Federal Reserve Bank clearings for the month ending November 15th show a continued increase over the previous month.

GENERAL

Industrial and agricultural activity continues in all directions, and weather conditions have favored fall plantings which have had the benefit of light rains, giving them a good start before colder weather. Each month strengthen our belief that the Southeastern section of the United States is assured of substantial growth and development in the next few years. The chief basis for this is the great area of cheap lands available for agricultural purposes.

Reports from New Hanover County, N. C. advise that on October 12th, twenty-five or thirty of its leading farmers, at a gathering at the Court House, formed a Federal Farm Loan Association under the new Federal Farm Loan Act. 213 shares of stock were subscribed, since which time the total has been increased to 523 shares. This has been done for the purpose of availing of the Act, as soon as the Farm Loan Bank, which is to cover that section, is located.